

Public Hearing Testimony for HB 5130: An Act Concerning Student Loan Forgiveness for Nonprofit Employees

February 22, 2022

Good morning and thank you members of the Higher Education and Employment Advancement Committee for this opportunity to speak. My name is Jane Lee and I am here in support of HB5130, An Act Concerning Student Loan Forgiveness for Nonprofit Employees. I am a Masters student at the UConn School of Social Work, where I hope to graduate in May. I am also employed at a non-profit agency called All Our Kin that supports, trains and sustains family child care providers. At UConn, as a graduate research assistant, I work at the OEC (Office of Early Childhood)-UConn Partnership.

Many job seekers go into the nonprofit sector, not necessarily for the paycheck, but for the knowledge that they may be able to positively impact their community; however, as educational debt level rises, students are less likely to choose nonprofit sector jobs¹. It's not any new news that the average student loan debt for graduates of higher education has been soaring. In fact, the average debt has risen by over 20% since about a decade ago². Student loan debt grows 6 times faster than our nation's economy.³ The average student loan debt for a 25-34 year old in CT is currently at a whopping over \$35,853. For CT residents 50 and over, the student loan debt is on average over \$49,000⁴. These numbers give us a sense of how crippling student loan debt can be at the beginning of a career and how it can continue to haunt one over the course of an entire career.

To address this student loan debt crisis, CT currently has 9 different programs for student loan forgiveness and reimbursements in its statutes. However, only one of them, the Minority Teacher Incentive Program⁵ is currently funded. There are over 200,000 people who work in the nonprofit sector in CT⁶. Please help other workers in nonprofit organizations by supporting HB 5130 An Act Concerning Student Loan Forgiveness for Nonprofit Employees. This bill can help to lessen the destructive level of debt burden that so many graduates experience. Also, in recognition of the vital part that nonprofit organizations play in delivering CT services to those

¹ Ng, & McGinnis Johnson, J. (2020). Game of Loans: The Relationship Between Education Debt, Social Responsibility Concerns, and Making a Career Choice in the Public, Private, and Nonprofit Sectors. *Nonprofit and Voluntary Sector Quarterly*, 49(2), 292–315. <https://doi.org/10.1177/0899764019867773>

² Kerr, E., & Wood, S. (2021, September 14). *See 10 Years of Average Total Student Loan Debt*. Usnews.Com. <https://www.usnews.com/education/best-colleges/paying-for-college/articles/see-how-student-loan-borrowing-has-risen-in-10-years>

³ Hanson, Melanie. "Student Loan Debt Statistics" EducationData.org, January 27, 2022, <https://educationdata.org/student-loan-debt-statistics>

⁴ Tretina, K. (2021, August 7). *Connecticut Student Loans: Debt Stats, Repayment Programs and Refinancing Loans*. Student Loan Hero. <https://studentloanhero.com/featured/connecticut-student-loans-refinance/>

⁵ Callahan, J. (2021, December 28). *Student Loan Forgiveness and Repayment Programs*. CT Office of Legislative Research. <https://cga.ct.gov/2021/rpt/pdf/2021-R-0044.pdf>

⁶ TED: The Economics Daily. (2018, August 31). *Nonprofits account for 12.3 million jobs, 10.2 percent of private sector employment, in 2016*. US Bureau of Labor Statistics. <https://www.bls.gov/opub/ted/2018/nonprofits-account-for-12-3-million-jobs-10-2-percent-of-private-sector-employment-in-2016.htm>

who need it the most, I urge you again to support HB 5130 An Act Concerning Student Loan Forgiveness for Nonprofit Employees

Thank you,

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